

**Return on Investment Program Funding Application (FY 2003 Request)**

This is an electronic template. Please enter your responses on this document. Only electronic submittals of this template will be accepted. Proposals submitted after the designated due date may not receive funding consideration.

FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform a final project outcome audit, after implementation, for all Pooled Technology funded projects.

SECTION I: PROPOSAL

Date: 6/12/2001

Agency Name: Department of Human Services

Project Name: Management Information System for Child Care

Expenditure Name:

Agency Manager: Julie Ingersoll

Agency Manager Phone Number / E-mail: 281-3186/jingers@dhs.state.ia.us

Executive Sponsor (Agency Director or Designee): Mary Nelson, Administrator
Division of Adult, Children and Family Services**Request For ROI Application Waiver:**

Agencies are required to complete this funding application when requesting funds for any project, any IT expenditure costing over \$100,000, or any non-routine IT expenditure. If you feel there is compelling reason to waive this requirement, please provide (in the box provided below) a brief description of the project or expenditure, the budget amount, and a rationale for the waiver request. Until a decision is made regarding your waiver request, it is not necessary to complete any other portion of this application. The ITD Enterprise Quality Assurance Office will convey waiver request decisions within five working days of receipt.

Explanation:

A. Project or Expenditure Rationale

Is this project or expenditure necessary for compliance with a Federal standard, initiative, or statute? ☐ YES (If "YES," explain) ☒ NO

Explanation:

Is this project or expenditure required by State statute? ☐ YES (If "YES," explain) ☒ NO

Explanation:

Does this project or expenditure meet a health, safety or security requirement?

☒ YES (If "YES," explain) ☐ NO

Explanation: The current MIS for child care provides for only a minimum of automated support for delivery of these critical services. A new MIS is intended to help DHS better utilize its limited child care funds by having more data available quicker regarding utilization of these services, up to the minute information on available child care slots, easier and quicker invoicing for services (a benefit to child care providers) and a single system interface for staff (instead of the current environment of staff having to multiple, unconnected systems). Further, development of a new system gives us the opportunity to link to DPH information regarding required immunizations, health and safety incident reports, as well child abuse information regarding incidents in child care facilities or by child care workers.

Is this project or expenditure necessary for compliance with an enterprise technology standard?

☐ YES (If "YES," explain) ☒ NO

Explanation:

Is this project or expenditure consistent with meeting the goals and objectives of the State's strategic plans?

☒ YES (If "YES," explain) ☐ NO

Explanation: One of the key desired components of a new child care MIS is to use EBT technology to allow citizens to check children into a child care center with a swipe card, which would save on paperwork and time for the provider as well as create automated billing. Citizens would have much improved access to information regarding available child care opening, types of care provided, etc. Providing improved and more easily accessible services is at the core of the State's strategic plan. Additionally, a new system would support electronic invoicing, both of which are components of the Governor's "total E" initiative.

Is this a "research and development" project or expenditure? ☐ YES (If "YES," explain) ☒ NO

Explanation:

B. Project or Expenditure Summary

1. Provide a pre-project or pre-expenditure (before implementation) and a post-project or post-expenditure (after implementation) description of the impacted system or process. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

Response: Pre-project: Currently, various parts of the child care program receives IT support through a number of existing DHS IT systems (IABC, SRS, PJ Payment, POSS). These systems have been "stitched together" over the years as the program has changed and expanded. The last major child care MIS initiative was conducted over 15 years ago and was designed without interconnectivity to other systems. Additionally, payments to providers are accomplished through several different and technologically incompatible IT systems.

This environment creates unnecessary overhead for workers and providers who use these systems, complex maintenance chores for IT support staff and results in an overall system in which the following deficiencies exist:

- Inaccurate and delayed eligibility determination
- Inaccurate and delayed payments to providers
- Difficulty in meeting federal reporting requirements
- No system connections between licensing and registration processes and eligibility determination and payment
- No system linkages to identify and coordinate other DHS services for families eligible for child care
- Limited information available to support budgeting, recipient projections, demographic analysis, program efficacy and program and provider accountability

Post-project: A unified replacement for our current child care MIS that is able to take advantage of more contemporary technologies will result in an environment where staff and child care providers use only a single IT interface to complete their work and are able to much more quickly and in much more detail utilize information regarding the child care program. Children will ultimately benefit as a good MIS will be able to identify efficiencies and cost savings in the administration of this program and families will have improved information regarding the availability and quality of care in their communities. Additionally:

- This project helps DHS to meet the Governor's e-commerce mandate.
- A new system will be integrated with other existing systems, creating a uniform set of databased information to support all program activities.
- Data in the new system will be standardized. The current systems supporting child care were developed over several years using different naming conventions, record lengths, and edits. This makes cross comparing data between systems or sharing data in an automated way between systems very cumbersome.
- A new system will greatly reduce the redundancies in information storage that exist in the current systems. This improvement will result in decreased storage and run time costs.
- Training necessary for staff to learn all of the different existing systems will be reduced as users will be presented with a single interface to the new system.
- A new system will make information directly accessible to users (through the data warehouse or SQL server), bypassing the need to use or wait for IT resources.
- Citizens will be better able to access services as the total body of data for the programs will be more easily and quickly accessed by staff.

2. Summarize the extent to which the project or expenditure improves customer service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

Response:

Improved Customer Services - Brings all of the various child care IT functions into a single platform to give staff better access to information to provide to citizens. Provides better and more information to citizens regarding availability of child care, licensing status, violations, etc. A new system would also be better able to link to other DHS systems to help citizens gain quicker access to other available services.

Improved Planning Capabilities - A new system would be able to more easily present data to all levels of workers and managers to help them to better manage existing program resources and better plan for future needs

System Costs - The current child care IT systems have accumulated a large volume of maintenance needs. Creating a new system does away with these costs. A new system will shift many of the mainframe processing costs to less expensive client server or workstation platforms, thereby reducing storage and run time IT costs.

Standardization/Enterprise Standards - Development of a new system would be in alignment with the architecture and software standards currently being promoted by ITD.

3. Identify the main project or expenditure stakeholders and summarize the extent to which each, especially citizens, is impacted. In particular, note if the project or expenditure helps reconnect Iowans to State government.

Response:

Iowa Legislature - Better and quicker access to program information to support budgeting/appropriations and decision making

Citizens - Quicker access to services, more accuracy, more up to date information regarding local availability of child care, licensing status, violations, etc

Staff - Easier and quicker use of the systems, reduced overpayments/fraud, expedited approval for families, expedited payment to providers

Providers - Easier and quicker invoice submittal, quicker turnaround on claims

This project reconnects Iowans to their government by helping to make access to and information about available day care easier for citizens. Up to the minute information regarding available child care slots and specific information about those providers (type of provider, ages accepted, contact information, etc.) could even be accessible on the Internet.

SECTION II: PROJECT ADMINISTRATION

A. Agency Information

1. **Project Executive Sponsor Responsibilities:** The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

Response: No response required.

2. **Organization Skills:**

- a. List the project management skills necessary for successful project implementation
- b. List the project management skills available within the agency
- c. List the source(s) of project management skills lacking within the agency
- d. Summarize relevant agency project management experience and results

Response: a. Project Manager - good policy background/good overall project management skills and a detailed knowledge of the entirety of existing day care programs and IT systems (we have).
Systems Architect - An individual who possesses a significant amount of knowledge and expertise building front-end applications to legacy systems (we need).
Systems Analyst (legacy systems) - IT staff who have a solid background in conducting analysis and a thorough knowledge of DHS IT systems (we have)
Systems Analyst (new system) - One or more individuals who possess expertise in the technologies utilized by the new system and in front end applications for legacy systems (we need).
Business Analysts - Specific policy area representatives who can represent customer needs and assist in converting those needs into systems specifications. Also require thorough systems knowledge (we have).
Programmer Analysts - Must possess extensive skills in building front-end and client server applications (we need)

b. Refer to the response above.

c. Depending upon the platform ultimately selected for development of a new system, DHS may need to partner with technical staff from ITD or another organization to help provide ongoing TA.

d. DHS has a long history of experience in developing and implementing large IT systems, both in the mainframe and client server environments. Again, depending upon the specific technologies chosen for a new system, ITD or another organization may need to be involved to provide ongoing TA.

B. Project Information

1. **History:**
 - a. Is this project the first part of a future, larger project? If so, please explain.
 - b. Is this project a continuation of a previously begun project? If so, please explain project history, current status, and results.

Response: We are not currently aware of future phases for this project other than its possible incorporation into an overall unified front end for all DHS systems if/when developed.

2. **Expectations:** Describe the primary purpose or reason for the project.

Response: The current child care systems in use are antiquated and well beyond their intended life expectancy. They require a great deal of maintenance and are not easily capable of providing managers with the kind of information they need to best manage program resources, plan for future needs and easily provide citizens with vital information about available child care in Iowa. Additionally, the Iowa legislature has directed DHS to pursue the use of EBT and EI technologies, which is dependent on the creation of a new child care MIS.

3. **Measures:** Describe the criteria that will be used to determine if the project is successful.

Response:

- Increased utilization of child care
- Faster/more accurate processing of eligibility determination
- Reduced incidence of overpayment and fraud
- Improved budget projections
- Increased customer satisfaction
- Decreased system maintenance/staff usage costs
- Degree to which system data is able to help improve program performance

4. **Environment:** List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, etc.).

Response:

- DHS Division of Adult, Children and Family Services (sponsorship, project management)
- DHS Division of Finance (accounting functions of system, federal reporting)
- DHS Division of Data Management (IT Coordination)
- DHS Division of Economic Assistance (Coordination of EBT design & PJ)
- IWD (PROMISE JOBS workers use of system)
- Child care providers (EBT, EI functions of system, data available to citizens regarding providers)
- Child Care Resource and Referral System (Any web deployment of information, recruitment, etc.)
- ITD (coordination/consultation on architecture/software/hardware, EBT functions, ongoing TA)
- Iowa Early Care and Education Professional Development Workgroup (training registry)
- DPH (coordination on information regarding required immunizations/other health info)
- DIA (use of system information to improve fraud investigation capabilities)

5. Risk: Describe the project risks which may be internal or external to State government, i.e. implementing versus not implementing project, changing technology, potential cost overruns, changing citizen demand or need, etc.

Response:

- Failure to pursue development of a new child care MIS is contradictory to the directions DHS has received from the Iowa legislature.
- The current child care systems are not able to meet current federal reporting standards.
- A current risk for this project is the uncertainty regarding the total costs for development. DHS has attended presentations from specific vendors offering systems but has not yet had the opportunity to issue an RFI or RFP to obtain more detailed and accurate figures.

6. Security / Data Integrity / Data Accuracy / Information Privacy
- a. List the security requirements of the project
 - b. Describe how the security requirements will be integrated into the project and tested
 - c. Describe what measures will be taken to insure data integrity, data accuracy and information privacy.

Response:

- A. Enterprise and DHS standards for security of data and access to systems will need to be met. Any Internet deployment of information will need to include protections for security of confidential information. Any child abuse data contained in the system will require its own security levels.
- B. The abuse registry data is contained in the STAR system. Testing of any enhancements of the systems is to be done by DHS field staff users and Child Welfare Information Systems (CWIS) staff.
- C. Data integrity and accuracy is to be maintained by DHS supervisory monitoring of field staff entries, training of staff regarding the system enhancements and identification of necessary data to be entered into the systems. Information privacy is to be maintained under the existing federal and state laws and regulations regarding confidential information.

7. Project Schedule
Describe general time lines, resources, tasks, checkpoints, deliverables, responsible parties, etc.

Response:

- SFY '02 - Organize sponsorship/oversight/evaluation groups; identify internal project resources; conduct and complete evaluation of RFI/RFP process
SFY '03 - Begin work on system development

SECTION III: TECHNOLOGY (In written detail, describe the following)

A. Current Technology Environment

1. Software (Client Side / Server Side / Midrange / Mainframe):

- a. Application software
- b. Operating system software
- c. Major interfaces to other systems, both internal and external

Response: A. Primarily mainframe using IDMS databases. B. VSAM, COBOL programming. C. The IABC, POSS and SRS systems do contain limited existing batch interfaces.

2. Hardware (Client Side / Server Side / Mid-range / Mainframe):

- a. Platform, operating system
- b. Storage and physical environment
- c. Connectivity and bandwidth
- d. Logical and physical connectivity
- e. Major interfaces to other systems, both internal and external

Response: A. Almost exclusively on the State's mainframe maintained by ITD. B. IDMS database C. N/A. D. N/A. E. N/A

B. Proposed Technology Environment

1. Software (Client Side / Server side / Mid-range / Mainframe)

- a. Application software
- b. Operating system software
- c. Major interfaces to other systems, both internal and external
- d. General parameters if specific parameters are unknown or to be determined

Response: To be determined. Client-server architecture will be primarily used with possible data storage 'data exchange through the state's data warehouse.

2. Hardware (Client Side / Server Side / Mid-range / Mainframe)

- a. Platform, operating system
- b. Storage and physical environment
- c. Connectivity and Bandwidth
- d. Logical and physical connectivity
- e. Major interfaces to other systems, both internal and external
- f. General parameters if specific parameters are unknown or to be determined

Response: See response above.

C. Data Elements

If the project creates a new database, provide a description of the data elements.

Response: Unknown at this time

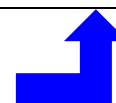
SECTION IV: Financial Analysis

A. Budget: Enter figures and calculate (see formula below) Total Annual Prorated Cost (State Share).

$$\left[\left(\frac{\text{Budget Amount}}{\text{Useful Life}} \right) \times \% \text{ State Share} \right] + (\text{Annual Ongoing Cost} \times \% \text{ State Share}) = \text{Annual Prorated Cost}$$

Budget Line Items	Budget Amount (1 st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1 st Year)	% State Share	Annual Prorated Cost
Agency Staff	\$2138000	10	100%	\$300000	100%	\$243800
Software	\$300000	10	100%	\$50000	100%	\$80000
Hardware	\$2500000	10	100%	\$50000	100%	\$300000
Training	\$0	0	%	\$0	%	\$
Facilities	\$		%	\$	%	\$
Professional Services	\$2500000	10	100%	\$300000	100%	\$550,000
ITD Services	\$??	??	%	\$0	%	\$
Supplies, Maint, etc.	\$0		%	\$	%	\$
Other (Specify)	\$	1	%	\$	%	\$
Totals	\$7,438,000	-----	-----	\$700,000	-----	\$1173800

Transfer this amount to the ROI Financial Worksheet, item "D" on page 13.



B. Funding: Enter data or provide response as requested

1. This is (pick one): ☒ A Pooled Technology Fund or Reengineering Fund Request
☐ An Agency IT Expenditure or Budget Request (General Fund, Road Funds, etc)
☐ Other – Specify:

2. On a fiscal year basis, enter the estimated cost by funding source?

	FY03		FY04		FY05	
	Cost (\$)	% Total Cost	Cost (\$)	% Total Cost	Cost (\$)	% Total Cost
State General Fund	\$	%	\$	%	\$	%
Pooled Tech. Fund	\$7438000	100%	\$0	100%	\$0	100%
Federal Funds	\$	%	\$	%	\$	%
Local Gov. Funds	\$	%	\$	%	\$	%
Grant or Private Funds	\$	%	\$	%	\$	%
Other Funds (Specify)	\$	%	\$	%	\$	%
Total Project Cost	\$7438000	100%	\$0	100%	\$0	100%

If applicable, summarize prior fiscal year funding experience for the project / expenditure.

Response: The estimates listed in the two sections above are based upon our best estimates regarding what a new day care MIS system with EBT capability would cost.

1. On a fiscal year basis, how much of the total (\$ amount and %) project / expenditure cost would be absorbed by your agency from normal operating budgets (all funding sources)?

Response: None

2. Identify, list, and quantify all new annual ongoing (maintenance, staffing, etc.) related costs (State \$s) that will be incurred after implementation or expenditure.

Response: \$700,000

C. ROI Financial Worksheet: Respond to the following and transfer data to the ROI Financial Worksheet (see IVC11) as necessary:

1. Annual Pre-Project Cost – Quantify all actual state government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation.

Response: Unknown at this time

2. Annual Post-Project Cost – Quantify all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

Response: Unknown at this time

3. State Government Benefit -- Subtract the total “Annual Post-Project Cost” from the total “Annual Pre-Project Cost.” This section should be completed only if State government operations costs are expected to be reduced as a result of project implementation.

Response: Unknown at this time

4. Citizen Benefit – Quantify the estimated annual value of the project to Iowa citizens. This includes the “hard cost” value of avoiding expenses (“hidden taxes”) related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a “rule of thumb,” use a value of \$10 per hour for citizen time savings and \$.325 per mile for travel cost savings.

Response: Unable to quantify at this time

5. Opportunity Value/Risk or Loss Avoidance Benefit – Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Response: Unable to quantify at this time

6. Total Annual Project Benefit -- Add the values of all annual benefit categories.

Response: Unable to determine at this time

7. Total Annual Project Cost – It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related. Completing Section IV-A, Project Budget of the evaluation document will provide all the necessary information for this item.

Response: Unable to determine at this time

8. Benefit / Cost Ratio_– Divide the “Total Annual Project Benefit” by the “Total Annual Project Cost.” If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

Response: Unable to determine at this time

9. ROI -- Subtract the “Total Annual Project Cost” from the “Total Annual Project Benefit” and divide by the amount of the requested State IT project funds.

Response: Unable to determine at this time

10. Benefits Not Readily Quantifiable -- List the project benefits which are not readily quantifiable (i.e. IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.). Rate the importance of these benefits on a “1 – 10” basis, with “10” being of highest importance. Check the “Benefits Not Readily Quantifiable” box in the applicable row.

Response: 10. The project allows citizens quicker and improved access to child care. 9. The project allows citizens increased access and invoicing regarding child care services. 8. Parents are able to obtain information critically needed to enroll children in child care. 7. DHS field staff will have a single system access to information needed for child care service provision. 6. Citizens--parents and children--benefit in being able to maintain employment and find appropriate child care. 5. Child care information regarding safety, immunizations, etc. will be more available allowing citizens to check into a child care center. 4. Increased safety of children in child care. 3. Electronic invoicing allows providers improved receipt of payment for services. 2. Improved decision making regarding funding and slot availability by DHS field staff. 1. Allows DHS to realize cost savings in the child care programming.

11. ROI Financial Worksheet	
Annual Pre-Project Cost - How You Perform The Function(s) Now	
FTE Cost (salary plus benefits):	\$243800
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$380000
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$550000
A. Total Annual Pre-Project Cost:	\$1173800
Annual Post-Project Cost – How You Propose to Perform the Function(s)	
FTE Cost:	\$
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$
B. Total Annual Post-Project Cost:	\$700000
State Government Benefit (= A-B):	\$473800
Annual Benefit Summary	
State Government Benefit:	\$473800
Citizen Benefit:	\$
Opportunity Value or Risk/Loss Avoidance Benefit:	\$
C. Total Annual Project Benefit:	\$
D. Annual Prorated Cost (SECTION IV-A):	\$1173800
Benefit / Cost Ratio: (C / D) =	
Return On Investment (ROI): (C – D / Requested Project Funds) x 100 =	%
<input checked="" type="checkbox"/> Benefits Not Readily Quantifiable	

Section V: ITC Project Evaluation Criteria

Criteria and Location in Project Evaluation Document		Points
1.	Is the project a statutory requirement; legal requirement; federal or state mandate; health, safety or security requirement or issue; and/or required for compliance with the enterprise technology standards? Location: Section I-A	15
2.	Will the project improve customer service? Location: Section I-B.2	15
3.	Does the project have a direct impact on citizens? To what extent does the project help reconnect state government with lowans? Location: Section I-B.3	10
4.	Does the project provide a sufficient tangible and/or intangible return on investment? Will it generate savings or income? Location: Section IV-C	10
5.	Does the project make use of information technology and its practical application in reengineering traditional government processes consistent with the goals and objectives of the state's strategic plans? Location: Section I-B.1	10
6.	Risk: What are the risks associated with the project? Such risks may include those internal and external to state government, the risk of doing a project, the risk of not doing a project, and the risks associated with changing technologies, potential cost overruns, and changing citizen demands and needs. Location: Section II-B.5	10
7.	Is this funding required to continue a project that was begun prior to the year funding is being requested for and does it have proven past performance? Is the funding part of a multi-year strategy? Location: Section II-B1, IVB2	10
8.	Will the project be for only one agency, multiple agencies, or the state government enterprise? Location: Section I-B3, IIB4	10
9.	Has the applicant maximized their own and other resources in the project? Is alternative funding unavailable for this project? (If no other funding available, project will not be completed without Pooled Technology funding) Location: Section IV-B.2, IV-B.3	5
10.	What is the credibility of the requester based on past performance on other projects? Location: Section II-A.2.d	5
Total		100